

The grant of tenure to a professor gives a promise of job security to the professor. In certain situations, however, this promise of job security is broken and tenure is terminated. In these situations, the nature of tenure rights as property rights generally determines whether termination payments are subject to employment taxes. This note examines the treatment of these payments by the Third and Sixth Circuits in contrast to the treatment by the Eighth Circuit. Resolving the circuit split will give institutions guidance in structuring both the payments and the tenure contracts.